

**ALASKA STATE LEGISLATURE  
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 21, 2022

1:32 p.m.

**DRAFT**

**MEMBERS PRESENT**

Senator Mia Costello, Chair  
Senator Peter Micciche  
Senator Gary Stevens  
Senator Elvi Gray-Jackson

**MEMBERS ABSENT**

Senator Joshua Revak, Vice Chair

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 19(EDC)

"An Act relating to instruction in a language other than English; and establishing limited language immersion teacher certificates."

- MOVED CSHB 19(EDC) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 111(FIN)

"An Act relating to the practice of dental hygiene; relating to advanced practice permits for dental hygienists; relating to dental assistants; prohibiting unfair discrimination under group health insurance against a dental hygienist who holds an advanced practice permit; relating to medical assistance for dental hygiene services; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 193

"An Act extending the termination date of the Board of Chiropractic Examiners; and providing for an effective date."

- MOVED CSSB 193(L&C) OUT OF COMMITTEE

SENATE BILL NO. 197

"An Act relating to direct health care agreements; and relating to unfair trade practices."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 19

SHORT TITLE: LIMITED TEACHER CERTIFICATES; LANGUAGES

SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	EDC, L&C
04/09/21	(H)	EDC AT 8:00 AM DAVIS 106
04/09/21	(H)	Heard & Held
04/09/21	(H)	MINUTE(EDC)
04/12/21	(H)	FIN REPLACES L&C REFERRAL
04/12/21	(H)	BILL REPRINTED
04/12/21	(H)	EDC AT 8:00 AM DAVIS 106
04/12/21	(H)	Heard & Held
04/12/21	(H)	MINUTE(EDC)
04/14/21	(H)	EDC AT 8:00 AM DAVIS 106
04/14/21	(H)	<Bill Hearing Canceled>
04/16/21	(H)	EDC AT 8:00 AM DAVIS 106
04/16/21	(H)	Moved CSHB 19(EDC) Out of Committee
04/16/21	(H)	MINUTE(EDC)
04/19/21	(H)	EDC RPT CS(EDC) 5DP 2NR
04/19/21	(H)	DP: ZULKOSKY, CRONK, PRAX, STORY, DRUMMOND
04/19/21	(H)	NR: HOPKINS, GILLHAM
05/03/21	(H)	FIN AT 1:30 PM ADAMS 519
05/03/21	(H)	Heard & Held
05/03/21	(H)	MINUTE(FIN)
05/06/21	(H)	FIN AT 1:30 PM ADAMS 519
05/06/21	(H)	Moved CSHB 19(EDC) Out of Committee
05/06/21	(H)	MINUTE(FIN)
05/07/21	(H)	FIN RPT CS(EDC) 5DP 4NR
05/07/21	(H)	DP: EDGMON, LEBON, CARPENTER, THOMPSON, MERRICK
05/07/21	(H)	NR: RASMUSSEN, JOSEPHSON, WOOL, ORTIZ
05/14/21	(H)	TRANSMITTED TO (S)
05/14/21	(H)	VERSION: CSHB 19(EDC)
05/17/21	(S)	READ THE FIRST TIME - REFERRALS
05/17/21	(S)	EDC, L&C, FIN
01/21/22	(S)	EDC AT 9:00 AM BUTROVICH 205
01/21/22	(S)	Heard & Held
01/21/22	(S)	MINUTE(EDC)
01/26/22	(S)	EDC RPT 5DP

01/26/22	(S)	DP: HOLLAND, HUGHES, STEVENS, MICCICHE, BEGICH
01/26/22	(S)	EDC AT 9:00 AM BUTROVICH 205
01/26/22	(S)	Moved CSHB 19(EDC) Out of Committee
01/26/22	(S)	MINUTE(EDC)
01/31/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
01/31/22	(S)	Scheduled but Not Heard
02/02/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/02/22	(S)	Heard & Held
02/02/22	(S)	MINUTE(L&C)

BILL: HB 111

SHORT TITLE: DENTAL HYGIENIST ADVANCED PRAC PERMIT

SPONSOR(S): REPRESENTATIVE(S) SPOHNHOLZ

02/24/21	(H)	READ THE FIRST TIME - REFERRALS
02/24/21	(H)	L&C, FIN
03/29/21	(H)	L&C AT 3:15 PM BARNES 124
03/29/21	(H)	Heard & Held
03/29/21	(H)	MINUTE(L&C)
03/31/21	(H)	L&C AT 3:15 PM BARNES 124
03/31/21	(H)	Moved CSHB 111(L&C) Out of Committee
03/31/21	(H)	MINUTE(L&C)
04/05/21	(H)	L&C RPT CS(L&C) 7DP
04/05/21	(H)	DP: KAUFMAN, SCHRAGE, MCCARTY, NELSON, SNYDER, FIELDS, SPOHNHOLZ
05/11/21	(H)	FIN AT 1:30 PM ADAMS 519
05/11/21	(H)	-- MEETING CANCELED --
05/15/21	(H)	FIN AT 10:00 AM ADAMS 519
05/15/21	(H)	Heard & Held
05/15/21	(H)	MINUTE(FIN)
05/19/21	(H)	FIN AT 1:30 PM ADAMS 519
05/19/21	(H)	<Bill Hearing Canceled>
02/02/22	(H)	FIN AT 9:00 AM ADAMS 519
02/02/22	(H)	Moved CSHB 111(FIN) Out of Committee
02/02/22	(H)	MINUTE(FIN)
02/04/22	(H)	FIN RPT CS(FIN) 6DP 1NR
02/04/22	(H)	DP: ORTIZ, EDGMON, THOMPSON, WOOL, JOSEPHSON, FOSTER
02/04/22	(H)	NR: MERRICK
02/17/22	(H)	TRANSMITTED TO (S)
02/17/22	(H)	VERSION: CSHB 111(FIN)
02/22/22	(S)	READ THE FIRST TIME - REFERRALS
02/22/22	(S)	L&C, FIN
03/21/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 193

SHORT TITLE: EXTEND BOARD OF CHIROPRACTIC EXAMINERS

SPONSOR(s): SENATOR(s) MICCICHE

02/15/22	(S)	READ THE FIRST TIME - REFERRALS
02/15/22	(S)	L&C, FIN
02/28/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/28/22	(S)	Heard & Held
02/28/22	(S)	MINUTE (L&C)
03/21/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 197

SHORT TITLE: DIRECT HEALTH CARE AGREEMENTS

SPONSOR(s): SENATOR(s) HUGHES

02/16/22	(S)	READ THE FIRST TIME - REFERRALS
02/16/22	(S)	L&C
03/21/22	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

#### **WITNESS REGISTER**

REPRESENTATIVE JONATHAN KREISS-TOMKINS

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 19.

REPRESENTATIVE IVY SPOHNHOLZ

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 111.

CHELSEA WARD-WALLER, Staff

Representative Ivy Spohnholz

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for HB 111 on behalf of the sponsor.

LORI WING-HEIER, Director

Division of Insurance

Department of Commerce, Community, and Economic Development

Anchorage, Alaska

**POSITION STATEMENT:** Answered questions and provided information during the hearing on HB 111.

ROAYANN ROYER, CDA, RDH, MPH, Member

Alaska Dental Hygiene Association

Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation in support of HB 111.

DR. DAVID NIELSON, Chair  
Board of Dental Examiners  
Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation in support of HB 111.

JOHN ZASADA, Policy Director  
Alaska Primary Care Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation in support of HB 111.

KATIE MCCALL, Staff  
Senator Mia Costello  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the explanation of changes from version B to version I for SB 193.

KRIS CURTIS, Legislative Auditor  
Legislative Audit Division  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions and provided information during the hearing on SB 193.

SENATOR SHELLEY HUGHES  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 197.

BUDDY WHITT, Staff  
Senator Shelley Hughes  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for SB 197 on behalf of the sponsor.

LORI WING-HEIER, Director  
Division of Insurance  
Department of Commerce, Community, and Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions and provided information during the hearing on SB 197.

#### **ACTION NARRATIVE**

[1:32:59 PM](#)

**CHAIR MIA COSTELLO** called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Gray-Jackson, Stevens, Micciche, and Chair Costello.

#### **HB 19-LIMITED TEACHER CERTIFICATES; LANGUAGES**

[1:33:34 PM](#)

**CHAIR COSTELLO** announced the consideration of CS FOR HOUSE BILL NO. 19(EDC) "An Act relating to instruction in a language other than English; and establishing limited language immersion teacher certificates."

She stated her intention to hear from the sponsor and look to the will of the committee.

[1:34:00 PM](#)

**REPRESENTATIVE JONATHAN KREISS-TOMKINS**, Alaska State Legislature, Juneau, Alaska, sponsor of HB 19, stated appreciation for the committee's consideration of the bill. He also thanked the agencies for their work in striking the right balance.

**CHAIR COSTELLO** noted who was available to answer questions.

**CHAIR COSTELLO** found no questions and solicited a motion.

[1:35:04 PM](#)

**SENATOR STEVENS** moved to report the Committee Substitute for HB 19, work order 32-LS0169\I, from committee with individual recommendations and attached fiscal note(s).

[1:35:33 PM](#)

**CHAIR COSTELLO** found no objection and CSHB 19(EDC) moved from the Senate Labor and Commerce Standing Committee.

[1:35:46 PM](#)

At ease

#### **HB 111-DENTAL HYGIENIST ADVANCED PRAC PERMIT**

1:37:56 PM

CHAIR COSTELLO reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 111(FIN) "An Act relating to the practice of dental hygiene; relating to advanced practice permits for dental hygienists; relating to dental assistants; prohibiting unfair discrimination under group health insurance against a dental hygienist who holds an advanced practice permit; relating to medical assistance for dental hygiene services; and providing for an effective date."

She noted that this was the first hearing and the intention was to hear the introduction and take invited and public testimony.

1:38:23 PM

REPRESENTATIVE IVY SPOHNHOLZ, Alaska State Legislature, Juneau, Alaska, sponsor of HB 111, introduced the legislation paraphrasing the following:

HB 111 creates an Advanced Practice Permit, which will allow experienced, licensed dental hygienists to provide preventative oral health care to underserved populations at senior centers, health care facilities, day cares, and schools, and for Alaskans who are eligible for public assistance, are homebound, or who live in underserved rural communities.

Oral health care plays a crucial role in the overall health and well-being of Alaskans. Poor oral health care contributes to poor overall health. This problem is worst amongst our state's most vulnerable populations. Many low income individuals and families in Alaska don't regularly seek oral healthcare due to cost, apprehension of dental work, access, and trouble finding a provider. Bad oral health is linked to cardiovascular disease, Alzheimer's, osteoporosis, as well as poor nutrition and other serious health issues. So, increasing access to preventative dental health care through dental hygienists will save and improve Alaskan's health and well-being.

Currently, dental hygienists can practice in a dentist's practice or practice semi-independently if they have a collaborative agreement with a dentist, similar to what Physicians Assistants do.

An Advanced Practice Permit will allow dental hygienists to care for underserved populations at senior centers, health care facilities, day cares, and schools, and for Alaskans who are eligible for public assistance, are homebound, or who live in an underserved community if they have the following:

1. minimum of 4,000 hours of clinical experience, and
2. are approved by the Alaska Board of Dental Examiners.

The bill lays out the specific services allowed under the permit and the specific populations that a licensed dental hygienist can provide services to without the supervision or physical presence of a licensed dentist. This list has been developed in consultation with the Alaska Dental Society, Board of Dental Examiners, and Alaska Dental Hygienists Association (Section 2 (a) services and Section 2 (b) populations).

The Advanced Practice Permit-holder will have to maintain malpractice insurance, provide a written notice of their service limitations, and make a referral to a licensed dentist nearby if further dental treatment is needed (Section 2 (d)). This will allow dental hygienists to practice to the full scope of their training, credentials, and professional experience.

Alaska won't be the first state to make these changes. Dental hygienists are able to practice under advance practice permits or similar permits in six other states (Colorado, Washington, Montana, Maine, Connecticut, and California) and 40 other states are considered "direct access" states, meaning that dental hygienists can initiate treatment based on their assessment of a patient's needs without the authorization or presence of a dentist

Lastly, I'll note that we have already made important changes to this bill at the recommendation of the Board of Dental Examiners and the Alaska Dental Society, including



- requiring permit-holders to maintain patient records for at least 7 years,
- making sure that the Board of Dental Examiners has separately certified a dental hygienist to administer local anesthesia, and
- empowering DHSS to make regulations related to the bill.

CHAIR COSTELLO requested the sectional analysis for HB 111.

[1:42:49 PM](#)

CHELSEA WARD-WALLER, Staff, Representative Ivy Spohnholz, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for HB 111 on behalf of the sponsor.

## **Section 1**

### **Ability of practice of dental hygienists.**

(e) Amends AS 08.32.110. to allow a licensed dental hygienist who holds an advanced practice permit issued by the board to perform duties allowed by the permit.

## **Section 2**

### **Advanced practice permits.**

Adds a new section under AS 08.32.125 creating the advanced practice permit and providing requirements as follows:

(a) The Board of Dental Examiners may issue an advanced practice permit to a licensed dental hygienist with a minimum 4,000 documented hours of clinical experience. This subsection lists what duties fall under advanced practice permits: general oral health & cleaning, providing treatment plans, screenings, taking radiographs, and/or delegating to dental assistants.

(b) A licensed dental hygienist holding an advanced practice permit may provide services to a patient who is not able to receive dental treatment because of age, infirmity, or disability. The patient may be

a resident of a senior center, residential health facility, or held in a local correctional facility. The patient may also be enrolled in certain schools, receiving benefits under the Special Supplemental Food Program (WIC), homebound, or a resident of a community that has a shortage of dental health professionals.

(c) A licensed dental hygienist holding an advanced practice permit can provide appropriate services to a patient without the presence, authorization, and supervision of a licensed dentist and without an examination from a licensed dentist.

(d) A licensed dental hygienist with an advanced practice permit must maintain professional liability insurance. They must also give the patient, parent, or legal guardian written notice that the treatment provided will be limited to those allowed by the permit, a written recommendation that the patient be examined by a licensed dentist for comprehensive oral care, and assistance in receiving a referral to a licensed dentist for further oral treatment.

(e) An advanced practice permit is valid until the license of the dental hygienist expires. A licensed dental hygienist can renew their advanced practice permit at the same time they renew their license.

### **Section 3**

#### **Grounds for discipline, suspension, or revocation of license.**

Amends AS 08.32.160 to exempt a licensed dental hygienist as permitted under an advanced practice permit from supervision requirements for clinical procedures. Licenses may be revoked if a dental hygienist allows a dental assistant to perform a prohibited procedure, or if the licensee falsified, destroyed, or failed to maintain a patient or facility record for the last seven years.

1:45:39 PM

### **Section 4**

Allows a dental hygienist holding an advance practice permit to delegate to a dental assistant the exposure/development of radiographs, the application of preventative agents, and other tasks as specified by the board in regulations. Section 5

#### **Section 5**

Prohibits insurance providers from discriminating against dental hygienists holding advanced practice permits.

#### **Section 6**

This section is amended to include dental hygienist services in the optional services provided by the Department of Health and Social Services.

#### **Section 7**

Allows the Department of Commerce, Community, and Economic Development, the Department of Health and Social Services, and the Board of Dental Examiners to adopt regulations necessary to implement the changes made in this bill. The regulations may not take effect before the effective date of this bill.

#### **Section 8**

Section 7 on regulations takes effect immediately.

#### **Section 9**

Effective date for sections 1-6 is January 1, 2023.

[1:46:42 PM](#)

CHAIR COSTELLO asked why two departments are involved in licensing, not just the Department of Commerce, Community and Economic Development (DCCED).

[1:47:04 PM](#)

REPRESENTATIVE SPOHNHOLZ explained that regulations are needed in both Medicaid and in professional licensing to ensure there is clear guidance on implementation for dental hygienists who will provide services to those eligible for public services.

CHAIR COSTELLO noted that Section 6 provides the option to offer these services through Medicaid.

REPRESENTATIVE SPOHNHOLZ replied the bill does not change the services that are available through Medicaid but it does allow advanced practice dental hygienists (APDN) who practice independently to offer those services. She clarified that DHSS regulations would need to be changed to reflect this.

CHAIR COSTELLO asked her to talk about why the provision in Section 5 that prohibits insurance providers from discriminating against APDNs is in the bill and whether she anticipated that sort of discrimination.

REPRESENTATIVE SPOHNHOLZ explained that in the past insurance companies have used a change in statute as an opportunity to compensate a provider at a different rate. HB 111 seeks to ensure that dental hygienists holding an advanced practice permit who are practicing autonomously continue to be reimbursed at the same rate as though they were practicing under a dental office. The training is the same, but they hold an advanced practice permit and operate an independent practice.

She added that there is a shortage of both dentists and dental hygienists in the state. Because most of the problems in dental health care are associated with preventative work, supporting the market for APDHs actually will save money in the long term.

[1:49:40 PM](#)

SENATOR STEVENS said he assumes the bill will need some changes to reflect the Governor's Executive Order to divide the Department of Health and Social Services (DHSS).

REPRESENTATIVE SPOHNHOLZ agreed that changes would be needed because the bill was drafted prior to that Executive Order.

[1:50:13 PM](#)

SENATOR GRAY-JACKSON said she was pleased to see the provision in Section 5 to prevent discrimination in reimbursement for APDHs practicing independently. She offered her belief that insurance companies will need to be educated.

SENATOR STEVENS said he assumes that the eight villages in his district that do not have dentists will not experience a reduction in the quality of care they currently receive.

REPRESENTATIVE SPOHNHOLZ replied the expectation is that access to care will improve dramatically with this advanced practice permit for dental hygienists. These experienced professionals

have been providing preventative dental care for a very long time and the bill does not change that standard of care.

SENATOR STEVENS commented on past battles and said he was pleased that there is continuing progress to help the people in small communities.

REPRESENTATIVE SPOHNHOLZ relayed that her office had worked carefully with the Dental Society, the Board of Dental Examiners, and the Alaska Dental Hygienists' Association to craft the bill. The bill was changed to accommodate concerns and she was pleased to see the alignment among all stakeholders.

1:53:32 PM

At ease

1:53:53 PM

CHAIR COSTELLO reconvened the meeting and asked Ms. Wing-Heier to talk about Section 5 and how the Division of Insurance would help educate insurance companies to prevent discrimination in reimbursement practices.

1:54:26 PM

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community, and Economic Development, Anchorage, Alaska, explained that insurance companies may discriminate, but not unfairly. For example, it is acceptable for an insurance company to file to offer homeowners insurance in Kodiak, but not Barrow. In the case of this bill, insurance companies would be expected to reimburse advanced practice dental hygienists who are active under their own license in a separate clinic. However, it may not be at the same rate as a dentist because dental hygienists currently are not reimbursed at the same rate as dentists.

SENATOR GRAY-JACKSON restated that her concern is that insurance companies may not know about this new law and reject a claim that comes from an APDH because it is not from a dentist. She asked how the division will educate insurance companies so this issue doesn't arise.

MS. WING-HEIER responded that once the bill is signed and there is an effective date, the division will notify insurance companies of this change. Consumers are encouraged to contact the division if they have a claim that is not paid the way it should be so the matter can be resolved.

CHAIR COSTELLO turned to invited testimony.

1:56:26 PM

ROAYANN ROYER, CDA, RDH, MPH, Member, Alaska Dental Hygiene Association, Anchorage, Alaska, testified by invitation in support of HB 111. She gave her credentials and related that she currently practices under a collaborative agreement that allows a hygienist to provide treatment under the general supervision of a dentist, prior to the dentist seeing a patient.

MS. ROYER clarified that a dental hygienist holding an advanced practice permit would still provide treatment as a member of a comprehensive oral health care team. She stressed that allowing a hygienist to provide services prior to dentist does not compromise the health and safety of a patient or the quality of service they receive.

HB 111 offers an opportunity to provide efficient, cost-saving services to the under-served population. Citing her own situation, she said that if she did not have an agreement with a dentist, HB 111 would allow her to continue to provide the current hygienist scope of practice services to the long term care residents and refer to a dentist as needed. She said she intends to continue her collaborative agreement, but HB 111 provides another option. She noted that the bill also addresses Senator Steven's concern about access to dental care services in villages. Many hygienists who want to work in under-served communities cannot find a dentist with whom to collaborate. Because routine assessment and preventative treatment clearly is less expensive in the long term, dental professionals throughout the state support HB 111.

2:00:40 PM

SENATOR STEVENS asked if hygienists who work for Native health organizations are part of the Alaska Dental Hygiene Association.

MS. ROYER replied many of them are part of ADHA. She noted that Southcentral Foundation is a member and when she worked for that organization she went to the villages.

SENATOR STEVENS asked if non-Natives are able to receive care from Native health care organizations that serve a village.

MS. ROYER answered yes.

2:02:01 PM

DR. DAVID NIELSON, Chair, Board of Dental Examiners, Anchorage, Alaska, testified by invitation in support of HB 111. Stated that the Board of Dental Examiners supports HB 111 in its current form. The board appreciates that the sponsors of the bill have been receptive to board comments and suggested changes. As stipulated in Section 4, he said the dental board will draft regulations stating what additional tasks, if any, a dental hygienist holding an advanced practice permit may delegate to a dental assistant and under what level of supervision. He expressed optimism that the extended effective date would allow time to write those regulations.

[2:03:51 PM](#)

JOHN ZASADA, Policy Director, Alaska Primary Care Association, Anchorage, Alaska, testified by invitation in support of HB 111. On behalf of APCA, he stated support for the operation and development of Alaska's 29 tribal and non-tribal federally qualified health centers. He relayed that APCA partners with the Alaska Dental Hygiene Association and the Alaska Dental Society. He stated that overall oral health is a vital component of the whole person care that community health centers provide their patients. A frequently cited reason for the shortage of dental services is the lack of providers. Persistent shortages of providers results in providers not working at their highest level of licensure, which creates inefficiencies and decreases provider satisfaction. APCA believes the advanced practice permit will be a valuable addition.

[2:06:06 PM](#)

CHAIR COSTELLO opened public testimony on HB 111; finding none she closed public testimony.

CHAIR COSTELLO held HB 111 in committee for future consideration.

[2:06:35 PM](#)

At ease

#### **SB 193-EXTEND BOARD OF CHIROPRACTIC EXAMINERS**

[2:08:01 PM](#)

CHAIR COSTELLO reconvened the meeting and announced the consideration of SENATE BILL NO. 193 "An Act extending the termination date of the Board of Chiropractic Examiners; and providing for an effective date."

She solicited a motion to adopt the proposed committee substitute (CS).

[2:08:21 PM](#)

SENATOR STEVENS moved to adopt the committee substitute (CS) for SB 193, work order 32-LS1486\I, as the working document.

[2:08:35 PM](#)

CHAIR COSTELLO objected for an explanation of the changes.

[2:08:42 PM](#)

KATIE MCCALL, Staff, Senator Mia Costello, Alaska State Legislature, Juneau, Alaska, presented the explanation of changes from version B to version I for SB 193.

**Page 1, Line 2**

Inserts into the title "requiring a report on audit compliance by the Board of Chiropractic Examiners."

**Sec. 1 - AS 08.03.010(c) (5) Page 1, Line 6**

Reduces the board extension from five years to two years.

**Sec. 2 - Page 1, Lines 8-14**

Adds a requirement for the legislative audit division to prepare and submit to the Legislative Budget and Audit Committee a report on the compliance of the Board of Chiropractic Examiners with the recommendations of the June 22, 2021 audit of the board.

[2:09:46 PM](#)

CHAIR COSTELLO withdrew her objection; finding no further objection, version I was adopted.

[2:10:21 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Alaska State Legislature, Juneau, Alaska, introduced herself.

SENATOR MICCICHE observed that the audit report on the Board of Chiropractic Examiners clearly stated that the statutory duty to investigate occupational licensing complaints is assigned to the Division of Corporations, Business, and Professional Licensing. He offered his belief that the problems the audit identified rest with the division; they seem beyond the board's control. He asked if the Audit Division sees this in other boards and commissions.



MS. CURTIS replied she does hear that complaint from time to time. She explained that the sunset review process is a holistic legislative oversight mechanism that provides an opportunity to look at the board and the support it has. She reminded the committee that what led to the recommendation to extend the board just five years was an issue that could affect the board's ability to protect the public. That information is not in the audit report because the investigation was ongoing.

MS. CURTIS said the Division of Audit reporting on the status of the recommendations is important but she believes that what the committee really wants the Audit Division to do is ensure that the public safety issue is addressed. She cautioned that as currently drafted, she would be focused on the progress of the recommendations even though those are not directly related to the reduced extension.

She offered to suggest alternate wording once the investigation she referenced is finished. She characterized the current draft as missing a piece.

[2:13:11 PM](#)

SENATOR MICCICHE countered that the legislature is looking at board compliance more than at any individual case. The new section in uncodified law points out that regardless of what the board did in that case, it was beyond the board's control.

[2:14:05 PM](#)

MS. CURTIS directed attention to Appendix A on page 19 that lists the criteria the Audit Division uses in a sunset audit, one of which is the degree to which complaints to the board have been efficiently addressed. Part of the legislative oversight sunset process involves looking at the division and sometimes the recommendations have to do with the division, which is the case in this audit.

[2:14:45 PM](#)

CHAIR COSTELLO agreed with Senator Micciche that the language in the committee substitute would address the issue, because the legislature has oversight and the audit provides information about more than just the board.

MS. CURTIS stated that an audit after just two years does not start from scratch, so the process takes less time and is less expensive.

CHAIR COSTELLO said that information is helpful as the committee continues to look at this particular board and the issues it faces.

SENATOR STEVENS asked when the last audit was done.

[2:16:12 PM](#)

At ease

[2:16:16 PM](#)

CHAIR COSTELLO reconvened the meeting.

MS CURTIS replied the last audit was done in 2013; the board received the full eight-year extension in the prior audit.

SENATOR STEVENS expressed satisfaction with the answer.

CHAIR COSTELLO found no further questions and solicited a motion.

[2:16:43 PM](#)

SENATOR STEVENS moved to report CSSB 193, work order 32-LS1486\I, from committee with individual recommendations and attached fiscal note(s).

[2:17:06 PM](#)

CHAIR COSTELLO found no objection and CSSB 193(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:17:17 PM](#)

At ease

#### **SB 197-DIRECT HEALTH CARE AGREEMENTS**

[2:19:06 PM](#)

CHAIR COSTELLO reconvened the meeting and announced the consideration of SENATE BILL NO. 197 "An Act relating to direct health care agreements; and relating to unfair trade practices."

She noted that this was the first hearing and the intention was to hear both invited and public testimony.

[2:19:29 PM](#)

SENATOR SHELLEY HUGHES, Alaska State Legislature, Juneau, Alaska, sponsor of SB 197, introduced the legislation. The sponsor statement read as follows:

Senate Bill 197 establishes guidelines for direct health care agreements between medical providers and patients. Direct Health Care (DHC) is a subscription for health care services in which patients, employers, or health plans pay primary care providers a flat, simple periodic fee in exchange for access to a clearly established broad range of health care services.

DHC removes some of the financial barriers patients encounter in accessing routine primary care, including preventive, wellness, and chronic care services. With a DHC plan, health care providers aren't burdened with time-consuming insurance paperwork, leaving more time to spend with patients. Under DHC agreements (there are currently over 1,400 direct primary care practices in 48 states), patients typically get same day access or next day visits and the option to call or text their clinic 24/7.

Health outcomes for patients improve under direct health as there is a focus on routine and preventative health care. Patients also feel less restrained from interacting with their provider and typically seek care before their symptoms become serious. Consequently, visits to the emergency room are also reduced.

Senate Bill 197 clearly spells out the elements of a DHC agreement and emphasizes consumer protections. Further, the bill clearly defines that Direct Health Care agreements are *not* insurance. They do, however, lower the hurdles to access for many Alaskans.

Alaskans spend more on health care per capita than any other state in the union. At a time when many Alaskans fear the uncertainties of the economy, pandemic, and global instability, direct health care agreements can provide an option for low-cost, stable access to quality healthcare.

SENATOR HUGHES reported that 32 states had adopted similar agreements and Alaska was one of 12 states with pending legislation. She expressed hope that the committee would agree that it was time for the legislature to make this sensible option available to Alaskans.

CHAIR COSTELLO asked Mr. Whitt to provide the sectional analysis.

[2:22:45 PM](#)

BUDDY WHITT, Staff, Senator Shelley Hughes, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for SB 197 on behalf of the sponsor. It read as follows:

**Section 1 - 18.23.500 - Page 1, Line 4 through Page 4, Line 14**

Adds new section "Direct Health Care Agreements" to Chapter 23 of Title 18.

Section (a), page 1, line 6 through page 2, line 20 - Defines a Direct Health Care Agreement as a written agreement between patient, government entity or private business and a provider for specific services in exchange for an annual fee, that services provided for the fee must be specified, and that the patient may submit an insurance claim for services rendered beyond those specified in the agreement.

Section (b), page 2, lines 21 through 27 - Directs that providers must allow a patient to terminate the agreement within 30 days and that if the agreement is terminated, the provider shall provide a refund of the payments made under the agreement, less payments made for services already provided.

Section (c), page 2, line 28 through page 3, line 1 - An agreement between provider and patient may be terminated in writing after thirty days, and the provider may give a refund, charge a termination penalty or termination fee.

Section (d), page 3, lines 2 through 5 - An agreement between provider and employer or government entity may be terminated in writing after thirty days, and the provider may give a refund, charge a termination penalty or termination fee.

Section (e), page 3, lines 6 through 10 - Modifications or renewal to an existing agreement can be made upon written agreement between both parties. A provider may not make a change to the annual fee more than once a

year and a 45-day written notice must be given prior to a change in fee.

Section (f), page 3, lines 11 through 14 - Specifies that a direct health care agreement is not subject to the consumer protections in Title 21 (Insurance) but are subject to other consumer protections including AS 45.45.915 (Section 2 of the bill).

Section (g), page 3, lines 15 through 24 - A Direct Health Care Agreement provider may not misrepresent themselves or the services that they provide in a direct health care agreement.

Section (h), page 3, line 25 through page 4, line 14 - Specifies that a direct health care agreement is not health insurance or underwriting, that direct health care agreement services are exempt from regulation by the Division of Insurance, and that a certificate of authority or license to market is not required to offer or execute such an agreement. The definitions of "health care provider" and "health care service" are given in subsections 1 and 2 of this section.

**Section 2 - AS 45.45.915 - Page 4, line 16 through page 5, line 5**

Adds new section "Direct Health Care Agreements" to Chapter 45 of Title 45

Section (a), page 4, lines 16 through 22 - A health care provider may not refuse to enter into a Direct Health Care Agreement based upon any characteristic of a class of persons protected by federal and state laws that prohibit discrimination.

Section (b), page 4, line 23 through page 5, line 5 - A health care provider may only decline to enter an agreement or cancel an existing agreement if the patients care needs are beyond that which the health care provider can provide. An existing agreement may only be terminated once the provider has transferred the patient to a health care provider that can provide the needed level of care and has agreed to provide the patient with that needed level of care. The definitions of "direct health care agreement" and "health care

provider" are the same as those found in section [1, page 4, lines 6-14].

**Section 3, Page 5, Lines 6 through 8**

Adds violations of sections 1 and 2 of the bill to the list of unlawful acts under the unfair trade practices and consumer protections clause of the AS 45.50.471(b).

[2:27:14 PM](#)

MR. WHITT advised that the sponsor asked him to draft a response to the analysis of the fiscal note from the Department of Health, OMB Component Number 242. He offered to speak to that now if that was the chair's wish.

[2:28:10 PM](#)

CHAIR COSTELLO expressed her preference to wait until a subsequent hearing.

She asked if this would be a limitation for providers because they are essentially committing to be available on short notice to the individuals that paid for the service.

SENATOR HUGHES replied that she was aware of clinics that were merging the models of insurance and direct-pay healthcare agreements so in those settings it would be the provider's choice. The model clearly defines the set of services so subscribers that need services outside the list would have to pay for the extra items.

CHAIR COSTELLO observed that the bill indicates that insurance is not involved until the patient goes outside the list of preapproved services. She asked if that means that the monthly fee does not count toward the insurance deductible.

SENATOR HUGHES replied that's correct. She added that she neglected to mention during the introduction that this is a good option for small employers. They could offer health insurance for catastrophic events and a direct-pay healthcare agreement would cover primary care and preventative treatment. Nationwide, it is generally primary care providers that are using these direct-pay healthcare agreements, but the option is available for specialists as well.

[2:30:55 PM](#)

SENATOR GRAY-JACKSON asked who determines the monthly fee.

SENATOR HUGHES replied it is an agreement between the provider and the patient, but the model is that each patient would pay the same fee.

SENATOR GRAY-JACKSON asked for an estimate of what the fee might be.

MR. WHITT replied the fees vary from state to state but his research has found fees ranging from \$100 to \$250 per month. The demographic makes a difference but it's based on the number of items on that list that are covered under the agreement.

CHAIR COSTELLO asked Ms. Wing-Heier to come forward.

[2:33:17 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community, and Economic Development, Anchorage, Alaska, introduced herself.

SENATOR STEVENS asked if there would be an advantage for insurance companies to cover the fee [for direct-pay healthcare agreements].

MS. WING-HEIER replied insurance companies will stay out of direct-pay healthcare agreements. She posed a hypothetical to demonstrate that a \$100 per month direct-pay healthcare agreement could make good, cost-saving sense for a family that had a \$15,000 deductible health insurance plan.

SENATOR STEVENS asked for confirmation that Medicare would not pay the fee for a direct-pay healthcare agreement.

MS. WING-HEIER replied Medicare won't touch direct-pay healthcare agreements but the division believes that Alaskans on Medicare will find them beneficial because it can be so difficult to find primary care physicians who treat Medicare patients.

[2:35:04 PM](#)

SENATOR GRAY-JACKSON asked if the fee for a family of four would be different than for an individual.

MS. WING-HEIER replied she would assume so.

CHAIR COSTELLO offered her understanding that individuals within a group would be paying the same fee and this could include a

small business. This is an option that encourages preventative care.

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SENATOR STEVENS asked Ms. Wing-Heier if she had any concerns about these agreements.

MS. WING-HEIER replied the division supports the bill, but to avoid confusion, AS 21.03 would need to be amended to list the other types of practices that are not insurance. She added that the division is fairly sure these agreements are already in use in Alaska, but because they are not allowed right now, she did not want to hear testimony about this practice here in the state.

SENATOR MICCICHE asked why they aren't already allowed.

MS. WING-HEIER explained that the definition of direct-care health care sounds very much like insurance but the specific definition has not been added to AS 21.03, the scope of code for insurance. Until that's done, there is a problem because it sounds as though the doctor is the insurance company.

SENATOR MICCICHE pointed to paragraph (3) on page 2, lines 7-9 that says these agreements must clearly state they are not health insurance and they don't meet any federal mandate for health insurance. He asked why one of these agreements wouldn't fulfill the mandated insurance coverage under federal law if it provided those services and care.

MS. WING-HEIER replied the federal law only recognizes insurance companies and self-insured plans, not doctors providing the care under these agreements. The agreement could list all the essential benefits and provide the same services, but still not be a qualified health plan.

SENATOR MICCICHE asked if that was a gap in the Affordable Care Act. If ACA's goal was to provide adequate health care for all Americans, he said these agreements are a more creative solution.

MS. WING-HEIER replied they are creative but they do not cover catastrophic losses because there would be too few people to spread the risk for such things as a million dollar baby or someone with hemophilia. A private practice could not support that kind of risk.



CHAIR COSTELLO listed the individuals available to answer questions.

[2:40:58 PM](#)

At ease

[2:42:10 PM](#)

CHAIR COSTELLO reconvened the meeting.

[2:42:23 PM](#)

CHAIR COSTELLO found no one who wished to comment and she closed public testimony on SB 197.

She held SB 197 in committee for future consideration.

[2:42:50 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 2:42 p.m.